

(Letter retyped for the purpose of uploading onto the Internet by Neil Thristan, Research Officer, GPOC)

Alan Warren
22 Pioneer Avenue
NEW NORFOLK TAS 7140
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To: Government Prices Oversight Commission

**RESPONSE TO THE DRAFT REPORT – METRO PRICING POLICIES
INVESTIGATION**

My submission has to do with the integration of Hobart Coaches with Metro. In some aspects, the services of Hobart Coaches cannot be separated from those of Metro. This is because:

1. Hobart Coaches busses are maintained and garaged by Metro.
2. Hobart Coaches drivers are shared with Metro, as are often the busses.
3. On part of their routes at least Hobart Coaches and Metro run busses along the same paths.

In light of the above, it is difficult to see how Hobart Coaches and Metro are separate and that Hobart Coaches should claim a different fare structure to Metro.

It is hard to see why legally blind people are excluded from free travel, and the assistance of a sighted guide, on Hobart Coaches whilst these are available on Metro. Their needs remain the same.

Does the comparison with a 'Private Operator' on page 46 of the Draft Report mean that Hobart Coaches fares have in some cases been compared? If this is so, then how do we know that the oversight of Hobart Coaches fares has not been utilised to inflate them so that Metro fares seem lower by comparison? The same government entity that involves both Hobart Coaches and Metro in so many aspects of their running should be investigated to see if the Metro and Hobart Coaches cost structures are sufficiently separated. The 'Overhead Costs' on page 37 of the Draft Report (table 4.4) does not indicate how the maintenance and running costs of Hobart Coaches have been sufficiently separated from those of Metro.

Hobart Coaches have Metro signage on them and it would be interesting to see how the 'Overhead Expenses' from Hobart Coaches have been accounted for. Is Metro subsidising Hobart Coaches? If so, why are the concession fares for Hobart Coaches greater than for Metro? Is there some erroneous accounting system taking money from Metro Services to help Hobart Coaches? If there is, then it seems that the fare structure of Hobart Coaches should be considered when increases to Metro fares should be considered.

Yours faithfully

Alan Warren